

2019-373-W  
288881

2019

Boyd  
and Administrator with  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Suite 100  
Columbia, SC 29210

Re: AAA Utilities, Inc.  
Sale of Perry Water System

Dear Ms. Boyd,

AAA Utilities Inc. has reached an agreement to sell the Perry Water System to Saluda County Water and Sewer Authority.

We have not executed the enclosed asset purchase agreement because we need approval from your office to transfer the existing utilities to Saluda County Water and Sewer Authority.

Please find enclosed pertinent information from the Office of Regulatory Staff's Water / Sewer Transfer Checklist, regarding this transaction.

We respectfully request the commission waive a hearing in this matter in an attempt to expedite this transaction.

Please let me know if the enclosed documents meet with your approval or if additional information is needed.

Thank you in advance for your consideration and help with this matter, on behalf of my father, Joseph E. Swearingen Sr., President of AAA Utilities, Inc. ✓

Sincerely,



Ronald J. Swearingen

AAA Utilities, Inc.

RECEIVED

DEC 04 2019

PSC SC  
CLERK'S OFFICE

## UTILITY ASSET PURCHASE AGREEMENT

This Utility Asset Purchase Agreement (“Agreement”) is entered into this \_\_\_\_ day of October 2019, between **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry Water System** (DHEC Water System No. SC4150007), (“Seller”), and **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina (“Buyer”).

### Recitals:

Whereas, Seller owns utility assets that consist generally of two wells with pumps on each, 3600 linear feet of water transmission lines and appurtenances that together provide water service to thirty-three (33) water customers as shown on **Appendix A** to this Agreement pursuant to a grant of exclusive service territory from the South Carolina Public Service Commission and in accordance with permits issued to Seller by the South Carolina Department of Health and Environmental Control, along with certain other personal property assets of Seller, all of which enable Seller to furnish water service to the customers on Appendix A;

Whereas, Buyer owns and operates a water plant and water distribution system in all of Saluda County excluding any area within an incorporated municipality, except as otherwise allowable by law, and furnishes wholesale and retail water service to its Saluda County customers; and

Whereas, Buyer desires to purchase the Perry Water System while Buyer is undertaking the Holley Ferry / Spann Road Phase 2 Water Project in the same area, and Seller would like to sell the Perry Water System to Buyer in order to improve water supply and quality to the 33 water customers in the area, all upon the terms, covenants and conditions set forth in this Agreement.

### Witnesseth:

Now, therefore, in consideration of the foregoing recitals and the benefits to be derived by Seller and Buyer from the mutual promises, covenants, representations and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer do hereby undertake, promise and agree for themselves, their respective successors and assigns, as follows.

### Article I

## DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. As used in this Agreement, the following terms shall have the meanings as defined herein unless the context requires otherwise.

“**Agreement**” means this Utility Asset Purchase Agreement, including appendices and any amendments or supplements executed and delivered in accordance with the terms hereof.

**“Best Efforts”** as a term of art shall be construed under South Carolina law.

**“Business Day”** means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of South Carolina are authorized or obligated by law to close.

**“Closing”** or **“Closing Date”** has the meaning set forth in Section 9.01 of this Agreement.

**“Connection Charges”** means the funds collected from new customers of the Utility System at or prior to initial connection to the Utility System in order to defray the cost of making utility service available. Connection Charges include capacity, impact, main extension, allowance for funds prudently invested, guaranteed revenues or other charges paid for the availability of utility services, including any charges for meter set.

**“Contemplated Transactions”** means all of the transactions contemplated by this Agreement.

**“Due Diligence Period”** means the time period from the Signature Date to the Closing Date.

**“Easements”** means easements not within a dedicated roadway as set forth in **Appendix B**.

**“Effective Time”** means 12:01 a.m. on the Closing Date.

**“Encumbrance”** means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership.

**“EPA”** refers to the United States Environmental Protection Agency, an agency of the United States federal government.

**“Excluded Assets”** means those assets, properties and rights, both tangible and intangible, real and personal, listed on **Appendix C**, which include the name “Perry Water System” and related logo and signage owned or used by Seller.

**“Facilities”** means the two wells with pumps on each, 3600 linear feet of water transmission lines, appurtenances and Easements that together provide water service to thirty-three (33) water customers as shown on Appendix A to this Agreement.

**“Governing Documents”** means the articles or certificate of incorporation and the bylaws of Seller.

**“Governmental Authorization”** means any consent, license, certificate of authorization, final approval for sale as contemplated by the terms of this Agreement by any Governmental Body,

registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

**“Governmental Body”** means any:

- (a) Federal, state, local, municipal, or other government;
- (b) Governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental powers); or
- (c) Body exercising any administrative, executive, judicial, quasi-judicial, legislative, police, regulatory or taxing authority or power.

**“Knowledge”** means (1) as to Seller, the actual knowledge of Seller’s directors and officers, without the requirement of diligent inquiry and subsequent investigation, and (2) as to Buyer, the actual knowledge of Buyer’s individual Board members, officers, administrative or department heads or employees, without the requirement of diligent inquiry and subsequent investigation.

**“Legal Requirement”** means any federal, state, local, municipal, or other constitution, law, ordinance, principle of common law, code, regulation or statute.

**“NOV”** means any notice of violation of any laws or orders which may be issued by any governmental agency or authority against Seller with respect to the Utility System.

**“Ordinary Course of Business”** means action that is consistent in nature, scope and magnitude with the past practices of a Person and is taken in the ordinary course of the normal, day-to-day operations of such Person.

**“Parties”** shall refer collectively to Seller and Buyer, and “Party” shall refer to one of either Seller or Buyer.

**“Person”** means an individual, a statutorily authorized customer(s) representative, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

**“Personal Property”** means the personal property that is (1) owned and used by Seller in the operation of the Utility System, (2) located within or relating to the service area identified in **Appendix A**, excepting, however, the Excluded Assets, and (3) including, but not limited to, the Assignments set forth on **Appendix D** hereto.

**“Proceeding”** means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

**“Purchased Assets”** means the assets set forth in Section 2.02 of this Agreement.

**“Purchase Price”** means the payment to be made at Closing by Buyer to Seller in exchange for conveyances of the Purchased Assets.

**“REAs”** refers to regulatory enforcement actions against Seller with respect to the Utility System whether initiated or prosecuted by SC DHEC, the Environmental Protection Agency (EPA) or any other state or federal governmental agency, private person or governmental or private entity, now pending or commenced subsequent to the date of this Agreement, up to the date of Closing.

**“SC DHEC”** refers to the South Carolina Department of Health and Environmental Control, an agency of the state of South Carolina.

**“SC PSC”** refers to the South Carolina Public Service Commission, an agency of the state of South Carolina.

**“Seller Tariffs”** means all water and wastewater tariffs filed by Seller and approved by the SC PSC or other regulatory authority and in effect on the Closing Date.

**“Signature Date”** means October \_\_\_, 2019.

**“Third Party”** means a Person that is not a party to this Agreement.

**“Transfer Documents”** means those documents set forth in Section 9.07 of this Agreement as also listed on **Appendix E** hereto.

**“Utility System”** means the Facilities located in the service area identified in Appendix A.

**“Willingness and Capability Commitments”** means any contractual obligations of Seller to provide utility service to a future customer of the Utility System upon the occurrence of certain conditions as set forth in such Commitments.

## **SECTION 1.02. CONSTRUCTION AND INTERPRETATION.**

(A) Words that indicate a singular number shall include the plural in each case and vice versa and words that reference a person shall include legal entities, firms and corporations.

(B) The terms “herein,” “hereunder,” “hereby,” “hereof,” and any similar terms, shall refer to this Agreement; and the term “hereafter” shall mean on or after the Signature Date.

(C) Words that reference only one gender shall include all genders.

**Section 1.03. Incorporation.** Each Party represents that the Recitals set forth in this Agreement are true and correct as they pertain to each Party and are incorporated herein and made a part of this Agreement. The Appendices hereto and each of the documents referred to therein are incorporated and made a part hereof in their entirety.

**Section 1.04. Section Headings.** Any headings preceding the texts of the several Articles, Sections or Appendices in this Agreement shall be solely for the convenience of reference and

shall not constitute a part of this Agreement, nor affect its meaning, construction or effect.

Section 1.05. Appendices. Seller shall provide copies of the Appendices to Buyer within seven (7) business days after the Signature Date. If Buyer objects to any Appendix, then within seven (7) days of Buyer's receipt of such Appendix, Buyer shall provide Seller with written notice of objection to the Appendix or any part thereof. In the event of a timely objection by Buyer, the Parties shall have seven (7) business days to resolve the objection of Buyer or either Seller or Buyer may elect to terminate the Agreement. Upon a termination of this Agreement, Seller and Buyer shall have no liability and no further obligation to each other under this Agreement.

## Article II

### PURCHASE AND SALE OF ASSETS

Section 2.01. Purchase and Sale Covenant. At Closing, Buyer shall purchase from Seller and Seller shall sell to Buyer the Purchased Assets, upon the promises, covenants, representations, agreements, conditions and terms set forth in this Agreement.

#### Section 2.02. Purchased Assets.

(A) The Purchased Assets consist of the Utility System plus:

- (1) The Governmental Authorizations, to the extent they are assignable.
- (2) All customer deposits made to Seller in connection with the operation of the Utility System as evidenced by the current customer records at the time of the Closing.
- (3) All Connection Charges collected by Seller for which the underlying labor and/or materials have not been expended or installed for the benefit of the payor or to accommodate any system growth made necessary by the connection of such payor to the Utility System.

(B) Seller shall provide Buyer copies of current customer records, a list of customers, 90 day history of customer billings, an accounts receivable aging by customer and amount, as-built surveys of the Facilities and the entire Utility System including plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, studies, non-corporate accounting, and non-corporate business records, controlled by or in the possession of Seller that relate exclusively to the description and operation of the Utility System.

Section 2.03. Excluded Assets. Notwithstanding any other provision of this Agreement that may be construed to the contrary, the Purchased Assets do not include the Excluded Assets.

Section 2.04. Purchase Price. The Purchase Price for the Purchased Assets is \$300 per customer or Nine Thousand Nine Hundred (\$9,900.00), subject to proration and adjustments set forth in this Agreement. The Purchase Price shall be due and payable by Buyer to Seller in immediately available funds at Closing, by wire transfer, pursuant to wire instructions to be

provided by Seller to Buyer at or prior to Closing.

Section 2.05. Assumed Liabilities. As of the Effective Time, Buyer shall assume and discharge all liabilities relating to the operation of the Utility System. Notwithstanding the foregoing, the following shall not constitute Assumed Liabilities: (1) any liability arising out of or relating to any employee grievance by a Seller employee based on actual or alleged acts or omissions of Seller prior to the Effective Time; (2) any liability for Seller's performance of its obligations hereunder; (3) any liability or performance obligation under any REAs; (4) any Third Party claims against Seller arising out of, relating to or in connection with the Utility System while owned and operated by Seller; (5) any *ad valorem* taxes on real property and/or personal property, any sales, income, business license, state and/or federal taxes arising out of, relating to or in connection with the Utility System while owned and operated by Seller; and (6) any liability under any Third Party service or other contract for services, labor and/or materials furnished to Seller prior to Closing.

Section 2.06. "As Is" Purchase. The purchase of assets under this Agreement is "AS IS" and with all faults. Seller makes no representations, covenants or warranties with respect to the Purchased Assets or Utility System, except those specifically set forth in this Agreement.

### Article III

#### DUE DILIGENCE ISSUES

##### Section 3.01. Provision of Information by Seller.

(A) Seller has provided or will provide to Buyer within ten (10) days after the Signature Date: (1) an inventory, updated through October 31, 2019, of equipment (excluding computers), supplies, parts and other personal property (excluding fixtures and other fixed assets) used by Seller in connection with the operation of the Utility System; (2) copies of Seller's Tariffs; (3) a statement of total gross receipts from water customers for calendar year 2018; (4) a current customer list; (5) a current aging through October 31, 2019 of accounts receivable; and (6) copies of all Easements in Seller's possession.

(B) After the Signature Date, Seller shall cooperate with Buyer in providing updated information and unrestricted access to the Utility System, including all information in the possession of Seller's consulting engineers, available to Buyer during normal business hours upon reasonable advance notice.

(C) After the Signature Date, Seller shall make any existing plats, surveys, plans, studies, analyses or specifications for the Utility System in Seller's possession, including, but not limited to, Utility System condition and maintenance, available to Buyer or its representatives for inspection during normal business hours upon reasonable advance notice.

Section 3.02. Due Diligence. During the Due Diligence Period, Buyer is undertaking its own due diligence and investigation of the Utility System based, in part, on Section 3.01 above, and, in part, on Third Party information, and, in part, on Buyer's own financial, engineering,

appraisal, and legal due diligence.

### Section 3.03. Due Diligence Determinations.

(A) As of the Signature Date, Buyer has not completed its due diligence but intends to undertake its own due diligence and investigation during the Due Diligence Period.

(B) Except as otherwise specified in this Agreement, no payment shall be due from Seller and no reduction in the Purchase Price shall be made for deficiencies in the Purchased Assets or Utility System. Except as otherwise provided in this Agreement, Seller shall have no obligation or liability to Buyer with respect to the condition of the Purchased Assets or Utility System. Buyer and Seller may, however, at any time during the Due Diligence Period, for cause or no cause whatsoever, terminate this Agreement and any payment or performance obligations of Buyer or Seller hereunder, and thereafter notify SC PSC that Buyer and Seller will not be Closing on the Purchased Assets in accordance herewith if an approval proceeding has already commenced before the SC PSC.

## Article IV

### ISSUANCE AND TRANSFER OF GOVERNMENTAL AUTHORIZATIONS

Section 4.01. Issuance and Transfer of Governmental Authorizations. Seller and Buyer jointly shall within the time periods designated by any Legal Requirement apply for, and thereafter diligently seek and pursue, the issuance, cancellation and/or transfer of all Governmental Authorizations necessary for Buyer to own and operate the Utility System. Each Party shall be responsible for its own fees and costs in this regard. Any filing fees incurred in seeking such Governmental Authorizations shall be the responsibility of Seller.

## Article V

### CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to purchase the Purchased Assets and to take the other actions required to be taken by Buyer at Closing is subject to the satisfaction, at or prior to Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part).

Section 5.01. Seller's Performance. All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and satisfied or met in all material respects.



Section 5.02. Seller's Representations and Warranties. All representations and warranties made by Seller in this Agreement shall be true, correct and complete as of the Signature Date, and no breach or violation of such representations and warranties shall have occurred from the Signature Date up to and including the Closing Date.

Section 5.03. Additional Documents. Seller shall have caused the documents and instruments required by this Agreement and the following documents to be delivered (or made available) to Buyer by Closing:

- (A) Resolution reflecting approval of this Agreement by Seller;
- (B) Documents evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or met by Seller;
- (C) Documents evidencing the satisfaction of any condition referenced in this Article;
- (D) Documents evidencing the release of all liens, security interests, and other encumbrances against the Utility System;
- (E) Easements to the satisfaction of Buyer for its ownership and operation of the Utility System; and
- (F) Final, non-appealable approval by the SC PSC of Seller's sale of the Utility System to Buyer.

Section 5.04. No Conflict. Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly, materially contravene or conflict with or result in a material violation of or cause Buyer to suffer any material adverse consequence under (a) any applicable Legal Requirement, or (b) any valid Legal Requirement or REAs that has been entered by any Governmental Body.

Section 5.05. Governmental Authorizations. All required Governmental Authorizations shall have been issued, cancelled or transferred, as the case may be, in accordance with Article IV, in order for Buyer to own and operate the Utility System after Closing. Buyer shall be released by Seller and SC DHEC from any and all liability, obligations, payment and/or performance under any REAs, except for any consent order that Buyer may negotiate and enter with SC DHEC to go into effect after the Closing Date. Seller shall indemnify and hold harmless Buyer from any and all liability, obligations, payment and/or performance under any REAs that were against Seller as of the Closing Date.

Section 5.06. No Litigation. As of the Closing Date, Buyer shall not be a party to any litigation challenging or clouding its ability or authority to proceed with Closing as contemplated hereunder.

Section 5.07. Release from Customer Claims.

(A) Buyer shall be released and indemnified by Seller from any and all liability, obligations, payment and/or performance that may have been commenced, or are pending, arising from, relating or pertaining to or in connection with Seller's ownership and operation of the Utility System prior to the Closing Date.

(B) Seller shall be released and indemnified by Buyer from any and all liability, obligations, payment and/or performance arising from, relating or pertaining to or in connection with Buyer's ownership and operation of the Utility System after the Closing Date.

## Article VI

### CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

Seller's obligation to sell the Purchased Assets and to take the other actions required to be taken by Seller at Closing is subject to the satisfaction, at or prior to Closing, of each of the following conditions (any of which may be waived by Seller in whole or in part).

Section 6.01. The Buyer's Performance. All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and satisfied or met in all material respects.

Section 6.02. Buyer's Representations and Warranties. All representations and warranties made by Buyer in this Agreement shall be true, correct and complete as of the Signature Date, and no breach or violation of such representations and warranties shall have occurred from the Signature Date up to and including the Closing Date.

Section 6.03. Additional Documents. Buyer shall have caused the documents and instruments required by this Agreement and the following documents to be delivered or made available to Seller by Closing:

- (A) Resolution reflecting approval of this Agreement by Buyer;
- (B) Such other documents as Seller may reasonably request for the purpose of:
  - (1) Evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or met by Buyer; or
  - (2) Evidencing the satisfaction of any condition referenced in this Article.

Section 6.04. No Injunction. There shall not be in effect any Legal Requirement or any injunction or other REAs that (a) prohibits the consummation of the Contemplated Transactions, or (b) has been adopted or issued, or has otherwise become effective, since the Signature Date.

Section 6.05. Public Service Commission Approval. On or prior to the Closing Date, Seller shall have been given final, non-appealable approval from the SC PSC to sell the Utility

System to Buyer.

Section 6.06. Release from REAs. On or prior to the Closing Date, Seller shall have been released from all REAs to which it is a Party, unless Buyer agrees in writing to proceed to Closing notwithstanding the absence of release from a REA.

## Article VII

### COVENANTS OF SELLER

#### Section 7.01. Operation of the Business of Seller.

Between the Signature Date and the Closing, Seller shall:

- (A) Conduct its business in the Ordinary Course of Business;
- (B) Confer with and cooperate with Buyer prior to implementing operational decisions relating to the Utility System of a material nature;
- (C) Maintain the Purchased Assets consistent with the normal conduct of Seller's business;
- (D) Comply with all Legal Requirements and contractual obligations applicable to the operations of Seller's business;
- (E) Cooperate with Buyer and assist Buyer in identifying the Governmental Authorizations required by Buyer to operate the business from and after the Closing Date and either (i) transferring existing Governmental Authorizations of Seller to Buyer, where permissible, or (ii) assisting Buyer in obtaining new Governmental Authorizations;
- (F) Upon request from time to time, execute and deliver all documents, make all truthful oaths, testify in any proceedings, whether before or after Closing, and do all other acts that may be reasonably necessary to consummate the Contemplated Transactions, all without further consideration; and
- (G) Maintain all books and records of Seller relating to Seller's business in the Ordinary Course of Business.

Section 7.02. Notification. Between the Signature Date and the Closing Date, Seller shall promptly notify Buyer, in writing, if it becomes aware of (a) any fact or condition that causes or constitutes a breach of this Agreement or (b) the occurrence after the Signature Date of any fact or condition that would or be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of this Agreement. During the same period, Seller shall also promptly notify Buyer of the occurrence of any breach of any covenant of Seller in this Agreement or the occurrence of any event that may make the satisfaction of the conditions in this Agreement impossible or unlikely.

Section 7.03. Payment of Liabilities. Seller shall pay or otherwise satisfy in the Ordinary Course of Business all of its liabilities and obligations as they come due.

## Article VIII

### COVENANTS OF BUYER

Section 8.01. Notification. Between the Signature Date and the Closing Date, Buyer shall promptly notify Seller, in writing, if it becomes aware of (a) any fact or condition that causes or constitutes a breach of this Agreement or (b) the occurrence after the Signature Date of any fact or condition that would or be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of this Agreement. During the same period, Buyer also shall promptly notify Seller of the occurrence of any breach of any covenant of Buyer in this Agreement or the occurrence of any event that may make the satisfaction of the conditions in this Agreement impossible or unlikely.

## Article IX

### CLOSING AND RELATED PROCEDURES AND ADJUSTMENTS

Section 9.01. Closing Date and Place. The Closing shall be held on October \_\_, 2019, at such place and time as is mutually agreed upon by the Parties.

Section 9.02. Recording Fees and Taxes.

(A) Fees to record any instruments necessary to deliver title to Buyer to the Utility System shall be paid by Seller.

(B) To the extent that taxes or other charges are due and payable with respect to the instruments necessary to deliver title to the Purchased Assets to Buyer, such taxes shall be paid by Buyer, excluding, however, any income and business license taxes due and payable by Seller as a result of the sale of the Purchased Assets.

Section 9.03. Accounts Receivable; Customer Deposits.

(A) Within five (5) days prior to Closing, Seller shall invoice the customers for service up to and including to the date of Closing. Seller is entitled to all revenues for services up to and including to the date of Closing, whether or not collected by Seller prior to or after Closing. After Closing, Buyer shall begin billing the customers based on Buyer's current minimum rate (at time of execution of this Agreement, \$28.35) until meters are installed and Seller's customers shall be charged the minimum rate plus any volumetric charges above 4,000 gallons.

(B) After Closing, Buyer shall assume responsibility to refund customer deposits, including accrued interest if applicable, to the extent it has received such deposits from Seller pursuant to section 2.02 (A)(7) herein. If Buyer has not received such deposits from Seller, then

Seller shall remain responsible to the customer(s) to refund customer deposits, including accrued interest if applicable.

(C) All bills for services, materials and supplies rendered in connection with the operation of the Utility System prior to Closing, including, but not limited to, electricity, for a period up to and including the Closing Date ("Accounts Payable"), shall be paid by Seller. Pro-rations shall be required for the following Accounts Payable: (1) electricity, to the extent meters are not read on the Closing Date; (2) telephone, to the extent no final bill is rendered to Seller on the Closing Date and Buyer continues service with the provider; (3) rental, maintenance or lease charges under contracts assumed by Buyer; (4) charges under maintenance and service contracts assumed by Buyer; (5) purchased water to the extent meters are not read on the Closing Date; and (6) other invoices that include pre-Closing and post-Closing obligations. Seller shall pay for all bills incurred by it prior to and as of the Closing Date. Buyer shall pay for all bills incurred by it after the Closing Date.

#### Section 9.04. Connection Charges.

(A) Connection Charges collected by Seller prior to Closing shall be Seller's sole and separate property.

(B) Connection Charges collected from and after Closing shall be Buyer's sole and separate property.

(C) If Seller entered into an agreement with a developer or individual customer prior to the Signature Date that provides for payment of Connection Charges in installment payments, Seller shall be entitled to receive and retain payments from such developer or individual customer that are due after the Closing Date to the extent that such payments are attributable to connections of customers made prior to the Closing Date.

#### Section 9.05. Costs and Professional Fees.

(A) Each Party shall be responsible for securing its own counsel and advisors for representation in connection with the negotiation of this Agreement and all other matters associated with performance, cancellation or Closing hereunder, unless otherwise specified herein. Each Party shall be responsible for the payment of the fees of its own attorneys, bankers, engineers, accountants, and other professional advisors or consultants in connection herewith.

Section 9.06. Risk of Loss. At all times prior to and through the time of Closing, Seller shall maintain adequate fire and extended insurance coverage for the cost of any repairs, rehabilitation or replacement of the Purchased Assets that may be required as a result of casualty damage. The risk of loss until Closing is upon Seller. The risk of loss after Closing is upon Buyer.

#### Section 9.07. Closing Procedure.

(A) On or prior to the Closing Date, Seller and Buyer shall execute all documents necessary for a Closing of this transaction.

(B) At Closing, the appropriate Party shall execute or cause to be executed and delivered to the Closing the following documents in final form, together with any exhibits or appendices ("Transfer Documents"):

- (1) Assignment of Easements;
- (2) If necessary, general assignment of all contracts, agreements, permits, leases, unexpired warranties and approvals, including, but not limited to, vendor, service and maintenance contracts with any Third Parties;
- (3) Bills of Sale or other documents of assignment and transfer, with full warranties of title to the personal property portion of the Purchased Assets;
- (4) Post-closing agreements, affidavits, assignments, certificates, estoppel certificates, corrective instruments, releases, satisfactions or terminations necessary or required pursuant to this Agreement;
- (5) If applicable, non-foreign affidavit, South Carolina Seller Withholding Affidavit and Transferor Affidavit pursuant to S.C. Code Ann. § 12-54-124; and
- (6) Any affidavits, assignments certificates, estoppel certificates, corrective instruments, releases, satisfactions or terminations necessary to close, including, but not limited to, a no lien affidavit.
- (7) Proof of all Governmental Authorizations necessary or appropriate for Buyer to own and operate the Purchased Assets, to the satisfaction of Buyer.
- (8) Assignment of all customer contracts, including remittance of all security deposits provided by such customers, that pertain to sale of water in connection with the Utility System.
- (9) An estoppel and indemnity from any and all customer claims against Seller for any activity or event that occurred pre-Closing.
- (10) An Environmental Indemnification from Seller against any adverse environmental liability related to, arising from or in connection with the Utility System as of the Closing Date.

Section 9.08. Assumption by Buyer of Responsibility for Service. On the Closing Date, Buyer shall assume responsibility for providing water service to Seller's customers within the service area identified in Appendix A.

Section 9.09. Documents after the Closing. From time to time after the Closing, each Party shall, upon request of the other, execute, acknowledge and deliver, or shall cause to be executed, acknowledged and delivered, all such further acts, assignments, bills of sale, transfers or

other documentation for (1) confirming or correcting title in the name of Buyer or its successor(s) or perfecting possession by Buyer or its successor(s) of any or all of the Purchased Assets, including the establishment of a record of Easements without resort to litigation, expenditure of monies or other extraordinary means, for all Facilities that are a part of the Utility System in existence or use at the time of Closing, or (2) otherwise fulfilling the obligations of the Parties hereunder. Further, from time to time after Closing, should the Parties discover that certain Easements or other rights owned or enjoyed by Seller at Closing and necessary to the operation and maintenance of the Utility System were not included in the Appendices hereto, and thus not transferred to Buyer or its successor(s) at Closing in accordance with this Agreement, then the Parties agree that Seller shall execute or cause to be executed the documents, including, but not limited to, easements and bills of sale necessary to convey such ownership or rights to Buyer or its successor(s), at no cost to Buyer, provided such conveyances may be accomplished without resort to litigation, expenditure of monies or other extraordinary means.

## Article X

### GENERAL PROVISIONS

Section 10.01. Time is of the Essence. Time is of the essence in this Agreement. Time periods specified in this Agreement shall expire at midnight on the date stated unless the Parties agree in writing to a different date or time. Any time period provided for herein that ends on Saturday, Sunday or a legal holiday shall extend to 5:00 p.m. on the next Business Day.

Section 10.02. Applicable Law; Jurisdiction and Venue.

(A) This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

(B) Exclusive jurisdiction and venue for any litigation arising out of, connected to, or to enforce the Agreement shall be in the Court for Common Pleas for Saluda County, South Carolina, and Buyer and Seller do hereby waive any jurisdiction and venue issues.

Section 10.03. Notice.

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, or by courier service, charges prepaid, to the Parties at the following addresses:

To Seller:

with a copy to:

To Buyer:

Jason R. Fell, P.E., MBA  
Saluda County Water and Sewer Authority  
106 North Jennings Street  
Saluda, SC 29138

with a copy to:

James W. Sheedy, Esquire  
Driscoll Sheedy, P.A.  
11520 N. Community House Road, Suite  
200  
Charlotte, NC 28277

(B) Any written notice given to one person in subsection (A) of this Section shall also be copied and provided to all other persons identified in subsection (A).

(C) The Parties may, by notice in writing given to the others, designate any future or different addresses to which the subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or by facsimile transmission or five (5) days after the date mailed.

#### Section 10.04. Assignment and Joinder.

(A) Neither Seller nor Buyer shall have the power or authority to assign absolutely this Agreement or any right, duty or obligation hereunder to a Third Party without the express written consent of the other Party. This Agreement shall be construed as solely for the benefit of Seller and Buyer and their successors and assigns and no claim or cause of action shall accrue to or for the benefit of any other Party. Notwithstanding anything herein to the contrary, Buyer may collaterally assign this Agreement to any financial institution which provides Buyer with the funds required to consummate the transactions contemplated herein.

(B) This Agreement shall be binding on and shall inure to the benefit of the Parties to it and their respective successors and permitted assigns.

Section 10.05. Amendments and Waivers. Except as otherwise provided in this Agreement, no amendment, supplement, modification or waiver of this Agreement shall be binding upon any Party unless executed in writing by such Party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

Section 10.06. Entire Agreement. This Agreement is the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the agreements, understandings, negotiations and discussions of the Parties, whether oral or written, pertaining to the subject matter hereof, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter



hereof, except as specifically set forth herein.

Section 10.07. Termination Events. By notice given prior to or at the Closing, subject to Section 10.08 this Agreement may be terminated as follows.

(A) If a material breach of any provision of this Agreement has been committed by Buyer and such breach has not been waived by Seller, but does not result in termination of the Agreement, Seller retains all remedies available to it at law or in equity with respect to such breach.

(B) If a material breach of any provision of this Agreement has been committed by Seller and such breach has not been waived by Buyer, but does not result in termination of this Agreement, Buyer retains all remedies available to it at law or in equity with respect to such breach.

(C) Without limiting the rights and remedies available to Buyer arising from Seller's failure to comply with its obligations under this Agreement, if the Governmental Authorizations set out in Article IV, or if all conditions precedent to Buyer's obligation to close set out in Article V have not been satisfied by the Closing Date, Buyer shall have the right of termination, without further recourse or liability to Seller, by delivery of notice to Seller.

(D) Without limiting the rights and remedies available to Seller arising from Buyer's failure to comply with its obligations under this Agreement, if the Governmental Authorizations set out in Article IV, or if all conditions precedent to Seller's obligation to close set out in Article VI have not been satisfied by the Closing Date, Seller shall have the right of termination, without further recourse or liability to Buyer, by delivery of notice to Buyer.

(E) As otherwise provided in this Agreement.

Section 10.8. Effect of Termination.

(A) Each Party's right of termination under Section 10.07 is in addition to any other rights it may have under this Agreement or otherwise and the exercise of such right of termination is not an election of remedies. If this Agreement is terminated pursuant to Section 10.07, all obligations of the Parties under this Agreement shall terminate unless otherwise stated in this Agreement; provided, however, that, if this Agreement is terminated because of a breach of this Agreement by the non-terminating Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

(B) Neither Seller nor Buyer shall be liable to the other in the event that after the Signature Date there occurs (1) a change of law that prevents the Closing, (2) any action by a Third Party that prevents the Closing, or (3) any order of any court or public agency that prevents the Closing. The Parties shall diligently defend against a Third Party's attempt to prevent a Closing.

Section 10.9. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original.

Section 10.10. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows.

(A) Seller is duly organized, validly existing and has an active status under the laws of the State of South Carolina. Seller has the power and authority to enter into this Agreement and to perform the terms and conditions of this Agreement.

(B) To Seller's Knowledge, other than the proceedings before SC PSC previously disclosed to Buyer, there are no legal actions, suits, mediations, arbitrations, or other legal or administrative proceedings pending or threatened against Seller that could affect the Purchased Assets and to Seller's Knowledge, there exist no facts that might result in any action, suit, mediation, arbitration, or other proceedings that might result in any adverse change in the Purchased Assets.

(C) The execution and performance of this Agreement by Seller does not and will not violate or result in the breach of any term or condition, or require the consent of any person not a party hereto under: (i) the by-laws of Seller; or (ii) any mortgage, indenture, contract, lease, license or other instrument, document or understanding, oral or written, to which the Seller is a party or subject.

(D) Seller has not dealt with a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, and, insofar as it knows, no broker, salesman or other person is entitled to any commission or fee with respect to such transaction as a result of Seller's actions.

Section 10.11. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows.

(A) Buyer has been duly organized, and is a validly existing political subdivision under the laws of the State of South Carolina. Buyer has all requisite power and authority to (i) enter into this Agreement, and (ii) carry out and perform the terms and conditions of this Agreement.

(B) Buyer is not subject to, nor a party to any proceeding, Legal Requirement or any other restriction of any kind or character that would prevent consummation of the transactions contemplated by this Agreement.

(C) Buyer has not dealt with a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, and, in so far as it knows, no broker, salesman or other person is entitled to any commission or fee with respect to such transaction.

(D) The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Buyer, nor any indenture, agreement, or other instrument to which Buyer is a party, or by which it is bound.

(E) All necessary actions required to authorize Buyer's purchase of the Purchased

Assets and Buyer entering into this Agreement will have been held in a manner and at the times duly required by law and all other appropriate governmental actions required to be taken by Buyer will have been duly taken prior to the Closing Date.

#### Section 10.12. Confidentiality.

(A) Seller shall instruct its directors, officers, employees, agents and representatives to cooperate fully with, and provide information about, the Purchased Assets and business of Seller's Utility System to Buyer. Such information shall be treated as confidential by Buyer and shall be disclosed only (i) to advisors and employees who are bound by confidentiality and on a need-to-know basis, and (ii) as required by law. Buyer shall be responsible for the disclosure of any of its advisors or employees.

(B) In the event this transaction is not consummated for any reason, all documents and work papers that contain information proprietary to either Party shall be promptly returned to such Party. The foregoing confidentiality obligations shall not apply to information that: (i) is or becomes generally available to the public through no act of the Party who received the information (the "Receiving Party"); (ii) is already known to the Receiving Party; (iii) is lawfully made known to the Receiving Party by a Third Party; or (iv) is independently developed by the Receiving Party.

#### Section 10.13. Authority.

Each Party to this Agreement represents and warrants to the other that: (a) all necessary corporate or government action on the part of each Party to be taken in connection with the execution, delivery and performance of this Agreement has been duly and effectively taken; and (b) the execution, delivery and performance by each Party of this Agreement does not constitute a violation or breach of such Party's articles of incorporation, bylaws, state laws, ordinances or any other agreement or law by which such Party is bound.

#### SECTION 10.14. WAIVER OF JURY TRIAL

**TO THE FULLEST EXTENT LEGALLY PERMISSIBLE, THE PARTIES WAIVE TRIAL BY JURY IN RESPECT OF ANY CLAIM, DISPUTE OR ACTION ARISING OUT OF, RELATED OR PERTAINING TO OR IN CONNECTION WITH THIS AGREEMENT, THE FACILITIES, THE UTILITY SYSTEM, THE PERSONAL PROPERTY, OR THE REAs. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE AND EACH PARTY HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS**

**WAIVER WITH COUNSEL. THIS WAIVER APPLIES EXCLUSIVELY TO CLAIMS, DISPUTES OR ACTIONS BETWEEN THE PARTIES AND DOES NOT APPLY TO ANY CLAIMS, DISPUTES OR ACTIONS INVOLVING THIRD PARTIES.**

Section 10.15. Survival.

This Agreement shall survive the Closing provided that no claim may be brought against Seller or Buyer hereunder no later than one (1) year after the Closing Date.

Section 10.16. Binding Effect

This Agreement shall be valid and binding when executed by Seller and Buyer, and the original, facsimile or PDF thereof is received by Seller and Buyer. Facsimile or electronic signatures shall be deemed valid and binding to the same extent as an original signature.

**IN WITNESS WHEREOF**, Seller and Buyer have caused this Agreement to be duly executed and entered as of the date first above written.

**AAA UTILITIES, INC.**, a South Carolina corporation

By: \_\_\_\_\_  
Its President

**SALUDA COUNTY WATER AND SEWER AUTHORITY**, a special purpose district of the State of South Carolina

By: \_\_\_\_\_  
Jerry Strawbridge, Board Chair

## **LIST OF APPENDICES**

- Appendix A - Service Area
- Appendix B - Easements
- Appendix C - Excluded Assets
- Appendix D - Third Party Contracts and Assignments
- Appendix E – Transfer Documents

## **APPENDIX A**

(Service Area and Utility System)

## **APPENDIX B**

(Easements not within a roadway)

## **APPENDIX C**

(Excluded Assets)

1. The name "Perry Water System"
2. Any logo or signage of AAA Utilities, Inc. or Perry Water System



## **APPENDIX D**

(Third Party Contracts and Assignments)

## **APPENDIX E**

(Transfer Documents)

1. Assignment of Easements
2. Bill of Sale
3. Assignment of Permits
4. Assignment and Assumption of Contracts
5. Assignment of Unexpired Warranties
6. Assignment of All Customer Contracts

## E-1 – Assignment of Easements

STATE OF SOUTH CAROLINA )  
COUNTY OF SALUDA )

**ASSIGNMENT OF EASEMENTS**

**THIS ASSIGNMENT OF EASEMENTS**, is made and entered as of this \_\_\_\_ day of October 2019, by **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry Water System** (DHEC Water System No. SC4150007), whose address is \_\_\_\_\_, hereinafter referred to as the "Assignor," for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid by **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina, whose address is 106 North Jennings Street, Saluda, SC 29138, hereinafter referred to as "Assignee."

## Recitals:

Whereas, Assignor is the owner and operator of that certain Utility System, as identified and defined in the Utility Asset Purchase Agreement by and between Assignor and Assignee, dated October \_\_, 2019 (APA);

Whereas, pursuant to the terms of the APA, Assignor has agreed to sell to Assignee and Assignee has agreed to purchase from Assignor the Utility System; and

Whereas, as a part of the sale of the Utility System, Assignor desires to assign, transfer and convey to Assignee all of Assignor's right, title and interest in and to the those easements identified on **Exhibit A** attached hereto.

## Witnesseth:

NOW, THEREFORE, for and in consideration of the covenants and agreements set forth herein, the recitals set forth above (which are incorporated herein by this reference), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor has hereby granted, bargained, sold, transferred, assigned, conveyed and released and delivered, and by these presents does grant, bargain, sell, transfer, assign and deliver unto the Assignee, its successors and assigns forever, all of Assignor's right, title, and interest in and to all easements owned or used by Assignor in connection with the operation of the Utility System identified in that the certain Utility Asset Purchase Agreement by and among Assignor and Assignee, dated October \_\_, 2019, located in Saluda County, South Carolina, including the following:

See Exhibit "A"

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

This Assignment shall bind and inure to the benefit of Assignor, Assignee, and their respective legal representatives, successors and assigns.

**IN WITNESS WHEREOF**, Assignor has caused this instrument to be executed as of the day and year first above written.

*Signed, sealed and delivered in our presence:*

**Witnesses:**

**AAA Utilities, Inc.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its President

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of October 2019, by President of AAA Utilities, Inc., a South Carolina corporation, on behalf of the corporation. He is personally known to me or has produced \_\_\_\_\_ as identification and has not taken an oath.

\_\_\_\_\_  
Notary Public  
My Commission Expires

**EXHIBIT "A"**

E-2 – Bill of Sale

**BILL OF SALE**

**KNOW ALL MEN BY THESE PRESENTS** that **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry Water System** (DHEC Water System No. SC4150007) (hereinafter “Seller”) for the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable considerations paid by **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina (hereinafter “Buyer”), the receipt of which is hereby acknowledged, pursuant to the Utility Asset Purchase Agreement between Seller and Buyer, dated October \_\_, 2019 (the “Agreement”), has granted, bargained, sold, transferred, set over and delivered, and by these presents does grant, bargain, sell, transfer, set over and deliver, unto Buyer, its successors and assigns, the Purchased Assets, as defined in the Agreement, excluding Excluded Assets, as those terms are defined in the Agreement, as more fully set forth in the following paragraphs.

1. The two wells with pumps on each, 3600 linear feet of water transmission lines and appurtenances which together provide water service to thirty-three (33) water customers as shown on Appendix A to the Agreement.
2. The Governmental Authorizations as defined in the Agreement.
3. The equipment, parts, tools, chemicals, inventory, furniture and other personal property owned by Seller and used exclusively in connection with the operation of the Utility System, excluding, however, the Excluded Assets as defined in the Agreement.
4. All assets, rights, materials and/or claims used, owned or held as a part of the Utility System, including, without limitation: all plans, specifications, maps, drawings (including as-built drawings) and other renderings of the infrastructure installed; all warranties, claims and any similar rights to the infrastructure installed; any and all permits for the infrastructure installed; and all intangible rights, goodwill and rights of the infrastructure

Seller represents and warrants that it has exclusive ownership, possession, control, and marketable title to the above-referenced property, and the above-referenced property is subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction.

**THE SALE OF THE PURCHASED ASSETS IS “AS IS, WITH ALL FAULTS.” SELLER MAKES NO REPRESENTATION AND THERE IS NO WARRANTY WITH RESPECT TO THE CONDITION OF THE ASSETS.**

IN WITNESS WHEREOF the undersigned has caused his name to be hereunto subscribed as of this \_\_ day of October 2019.

**AAA UTILITIES, INC.**

\_\_\_\_\_  
By: its President

E-3 – Assignment of Permits

**STATE OF SOUTH CAROLINA )**  
**COUNTY OF SALUDA )**

## ASSIGNMENT AND ASSUMPTION OF PERMITS AND GOVERNMENTAL APPROVALS

**THIS ASSIGNMENT AND ASSUMPTION OF PERMITS AND GOVERNMENTAL APPROVALS** (“Assignment”) is made and entered into this \_\_\_ day of October 2019, between **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry Water System** (DHEC Water System No. SC4150007) (“Assignor”), and **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina (“Assignee”). Assignor and Assignee shall be referred to collectively herein as the “Parties”. All capitalized terms not defined herein shall have the meaning(s) ascribed to them in the Agreement.

### RECITALS:

**WHEREAS**, Assignor has as of this date conveyed to Assignee, pursuant to that certain Utility Asset Purchase Agreement between Assignor and Assignee, dated October \_\_, 2019 (the “Agreement”), all of the property, both tangible and intangible, which comprise the Utility System and the Purchased Assets; and

**WHEREAS**, included within the Purchased Assets Assignor intends, to the extent they are assignable, to convey to Assignee, and Assignee intends to accept, are all of Assignor’s rights and obligations under those certain consents, licenses, certificates of authorization, registrations or permits issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement, identified on Exhibit “A” attached hereto and made a part hereof (collectively the “Permits”).

### WITNESSETH:

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, representations and agreements contained herein, the recitals set forth above (which are incorporated herein by this reference) and other good and valuable consideration, the Parties do undertake, promise and agree for themselves, their permitted successors and assigns as follows.

1. Assignor hereby, to the extent permissible, transfers, conveys and assigns unto Assignee, its successors and assigns, all right, title and interest of Assignor in and to the Permits. Between the Signature Date and the date of this Assignment, Assignor has complied with all Legal Requirements applicable to the Permits.

2. Assignee hereby accepts the transfer and assignment of the Permits and assumes the performance, obligations, duties and liabilities of Assignor under such Permits as of the date hereof. As of the date of this Assignment, Assignor’s obligations and responsibilities to act under such Permits shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Permits, except for those obligations and responsibilities which accrued prior to the date of this Assignment.



3. Assignor shall indemnify, defend and hold Assignee harmless from and against any claims for injuries to persons or damage to property and any fines, fees or other penalties (including, without limitation, reasonable attorneys' fees and court costs), which may be related to or arise from the Permits and are attributable to the period prior to the date hereof, to the extent permitted by law.

4. Assignor hereby covenants to Assignee, its successors and assigns, that Assignor is not in default, breach or violation under any term of the Permits (except as expressly noted in the Agreement).

5. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their successors and assigns. This Assignment is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

6. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of South Carolina applicable to contracts made and to be performed within that State.

7. If any term or provision of this Assignment shall, to any extent or for any reason, be held to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein or been applicable in such circumstances.

8. This Assignment incorporates the Agreement and by reference all definitions, terms, provisions, conditions and limitations set forth therein. In the event of any conflict or inconsistency between the Agreement and the definitions, terms, provisions, conditions and limitations set forth therein and those which are set forth in this Assignment, the definitions, terms, provisions, conditions and limitations set forth in the Agreement shall supersede and prevail.

9. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Assignment.

**IN WITNESS WHEREOF**, Assignor and Assignee have caused this Assignment to be duly executed and entered into on the date first above written.

**Witnesses:**

**AAA UTILITIES, INC.**

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its President

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**Witnesses:**

**SALUDA COUNTY WATER AND  
SEWER AUTHORITY**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its Manager

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**EXHIBIT "A"**

E-4 – Assignment and Assumption of Contracts

STATE OF SOUTH CAROLINA       )  
COUNTY OF SALUDA               )

**ASSIGNMENT AND ASSUMPTION OF CONTRACTS**

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS (“Assignment”) is made and entered into this \_\_\_\_ day of October 2019, by and between **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry**

**Water System** (DHEC Water System No. SC4150007) ("**Assignor**") and **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina ("**Assignee**"). Assignor and Assignee shall be referred to collectively herein as the "**Parties**". All capitalized terms not defined herein shall have the meaning(s) ascribed to them in the Agreement.

#### **RECITALS:**

**WHEREAS**, Assignor has as of this date conveyed to Assignee, pursuant to the Utility Asset Purchase Agreement by and among Assignor and Assignee, dated October \_\_, 2019 (the "**Agreement**"), all of the property, both tangible and intangible, which comprise the Utility System and Purchased Assets; and

**WHEREAS**, Assignor wishes to assign to Assignee all of its rights, obligations and benefits arising out of, relating to or in any way associated with the contracts listed on **Exhibit "A"** attached hereto ("**Assumed Contracts**"), and Assignee will assume all of Assignor's liabilities and obligations under the Assumed Contracts.

#### **WITNESSETH:**

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, representations and agreements contained herein, together with Ten and No/100 Dollars (\$10.00) and other good and valuable consideration exchanged between the Parties, the Parties do undertake, promise and agree for themselves, their permitted successors and assigns as follows.

1. Assignor hereby conveys and assigns unto Assignee, its successors and assigns, all rights, title, interests, obligations, liabilities, and responsibilities of Assignor in the Assumed Contracts. Between the Execution Date and the date of this Assignment, Assignor has complied with all contractual obligations in connection with the Assumed Contracts.

2. Assignee hereby accepts the transfer and assignment of the Assumed Contracts as set forth in Paragraph 1 herein, and assumes the performance, obligations, duties and liabilities of Assignor under such Assumed Contracts that accrue after the date of this Assignment. As of the date of this Assignment, Assignor's obligations and responsibilities to act under the Assumed Contracts shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Assumed Contracts, except for those obligations and responsibilities which accrued prior to the date of this Assignment.

3. Assignor shall indemnify and hold Assignee harmless from and against any loss, claims, costs and expenses arising in connection with the Assumed Contracts attributable to the period prior to the date hereof.

4. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their successors and assigns. This Assignment is not intended to confer upon any person other than the Parties any rights or remedies hereunder.

5. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of South Carolina applicable to contracts made and to be performed within that State.

6. If any term or provision of this Assignment shall, to any extent or for any reason, be held to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein or been applicable in such circumstances.

7. This Assignment incorporates the Agreement and by reference all definitions, terms, provisions, conditions and limitations set forth therein. In the event of any conflict or inconsistency between the definitions, terms, provisions, conditions and limitations set forth in the Agreement and those which are set forth in this Assignment, the definitions, terms, provisions, conditions and limitations set forth in the Agreement shall supersede and prevail.

8. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Assignment.

**IN WITNESS WHEREOF**, Assignor and Assignee have caused this Assignment to be duly executed and entered into on the date first above written.

**Witnesses:**

**AAA UTILITIES, INC.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its President

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**Witnesses:**

**SALUDA COUNTY WATER AND  
SEWER AUTHORITY**

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its Manager

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**EXHIBIT "A"**

E-5 – Assignment of Unexpired Warranties

STATE OF SOUTH CAROLINA )  
COUNTY OF SALUDA )

**ASSIGNMENT OF UNEXPIRED WARRANTIES**

**THIS ASSIGNMENT OF UNEXPIRED WARRANTIES** (“Assignment”) is made and entered into this \_\_\_ day of October 2019, between **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry Water System**

(DHEC Water System No. SC4150007) (“Assignor”) and **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina (“Assignee”). Assignor and Assignee shall be referred to collectively herein as the “Parties”.

#### **RECITALS:**

**WHEREAS**, Assignor has as of this date conveyed to Assignee, pursuant to that certain Utility Asset Purchase Agreement between Assignor and Assignee, dated October \_\_, 2019 (the “Agreement”), all of the property, both tangible and intangible, which comprise the Utility System and the Purchased Assets, as defined in the Agreement; and

**WHEREAS**, included within the Purchased Assets Assignor intends, to the extent they are assignable, to convey to Assignee, and Assignee intends to accept, all of Assignor’s rights, title and interest in, to and under those certain warranties given by any vendor, contractor, sub-contractor or any other third party providing labor, materials, or any service to Assignor (collectively the “Warranties”).

#### **WITNESSETH:**

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, representations and agreements contained herein, the recitals set forth above (which are incorporated herein by this reference) and other good and valuable consideration, the Parties do undertake, promise and agree for themselves, their permitted successors and assigns as follows.

1. Assignor hereby, to the extent they are assignable, transfers, conveys and assigns unto Assignee, its successors and assigns, all right, title and interest of Assignor in and to the Warranties. Assignee hereby accepts the transfer and assignment of the Warranties and assumes the performance, obligations, duties and liabilities of Assignor under such Warranties as of the date hereof. As of the date of this Assignment, Assignor’s obligations and responsibilities to act under such Warranties shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Warranties.

2. Assignor hereby covenants to Assignee, its successors and assigns, that (i) Assignor has a good and lawful right to convey its rights under the Warranties, (ii) the Warranties are free from all encumbrances, liens and mortgages, and (iii) Assignor is not in default, breach or violation under any term of the Warranties.

3. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their successors and assigns. This Assignment is not intended to confer upon any person other than the Parties any rights or remedies hereunder.

4. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of South Carolina applicable to contracts made and to be performed within that State.



5. If any term or provision of this Assignment shall, to any extent or for any reason, be held to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein or been applicable in such circumstances.

6. This Assignment incorporates the Agreement and by reference all definitions, terms, provisions, conditions and limitations set forth therein. In the event of any conflict or inconsistency between the Agreement and the definitions, terms, provisions, conditions and limitations set forth therein and those which are set forth in this Assignment, the definitions, terms, provisions, conditions and limitations set forth in the Agreement shall supersede and prevail.

7. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Assignment.

**IN WITNESS WHEREOF**, Assignor and Assignee have caused this Assignment to be duly executed and entered into on the date first above written.

**Witnesses:**

**AAA UTILITIES, INC.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its President

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**SALUDA COUNTY WATER AND  
SEWER AUTHORITY**

**Witnesses:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its Manager

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

E-6 – Assignment of All Customer Contracts

STATE OF SOUTH CAROLINA )  
COUNTY OF SALUDA )

**ASSIGNMENT AND ASSUMPTION OF CUSTOMER CONTRACTS**

This Assignment and Assumption of Customer Contracts (the Assignment), dated as of October \_\_, 2019 (the “Effective Date”), is by and between **AAA Utilities, Inc.**, a South Carolina corporation, which owns and operates, among other things, **Perry Water System** (DHEC Water System No. SC4150007) (“**Assignor**”), and **Saluda County Water and Sewer Authority**, a special purpose district under the laws of the State of South Carolina (“**Assignee**”). All capitalized terms not otherwise defined herein shall have the meanings set forth in that certain Utility Asset Purchase Agreement between Assignor and Assignee, dated October \_\_, 2019 (the “APA”).

# RECITALS:

WHEREAS, in accordance with the terms of the APA, Assignor has as of this date conveyed to Assignee, all of the property, both tangible and intangible, which comprise the Utility System and Purchased Assets;

WHEREAS, as a result of the acquisition of the Utility System by Assignee, all former customers of Assignor shall now become customers of Assignee, to be invoiced monthly for retail water service;

WHEREAS, in order for Assignee to provide retail water service to the former customers of Assignor, Assignor must assign all of its customer contracts to Assignee, including all security deposits (the "Contracts"); and

WHEREAS, Assignor and Assignee now wish to set forth the terms, covenants and conditions pursuant to which Assignor shall assign over and transfer the Contracts to Assignee.

# WITNESSETH:

NOW, THEREFORE, for and in consideration of the above recitals and the terms, covenants and conditions set forth herein below, Assignee and Assignor agree as follows.

1. Assignment. As of the Effective Date, Assignor hereby assigns, conveys, transfers and sets over unto Assignee all of Assignor rights, title and interest in, to and under all of the Contracts, including, without limitation, all of Assignor's rights, title and interest in and to security or other deposits and in and to any claims for payment or any other claims arising under the Contracts against any customer thereunder arising after the Closing Date.

2. Assignor's Indemnification of Assignee. Assignor hereby indemnifies Assignee against, and agrees to hold Assignee harmless of and from all liabilities, obligations, actions, suits, proceedings or claims, losses, costs and expenses, including but not limited to attorneys' fees, arising as a result of any act, omission or obligation of Assignor under the Contracts which occurred or are alleged to have occurred on or prior to the Effective Date. Assignor hereby indemnifies Assignee against, and agrees to hold Assignee harmless of and from all liabilities, obligations, actions, suits, proceedings or claims, losses, costs and expenses, including, but not limited to, attorneys' fees, arising out of or related to any failure by Assignor to reasonably cooperate with Assignee and/or the customers under the Contracts in connection with the transfer and conveyance of such Contracts.

3. Transfer of Security and/or Other Deposits. Upon notification from Assignee, Assignor shall transfer any and all funds held on deposit by Assignor, whether for security or other purposes, to an account of Assignee's choosing. Assignor and

Assignee shall make all best efforts to insure the deposits transferred from Assignor to Assignee shall remain paired with the proper retail water and sewer customer accounts; however, in the event an error should occur, Assignor shall assist Assignee in any way necessary to correct the error and reconcile the customer account.

4. Binding Effect. This Assignment shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

5. Counterparts. This Assignment may be executed in one or more counterparts and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

**Witnesses:**

**AAA UTILITIES, INC.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its President

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**Witnesses:**

**SALUDA COUNTY WATER AND  
SEWER AUTHORITY**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
By: its Manager

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

# AAA UTILITIES, INC

## Perry Water System Rates

\$ 25.00	monthly rate
\$ 2.83	DHEC monthly rate
\$ 35.00	One time set up fee
\$ 75.00	Re-connect fee
\$ 0.03	Late fee (times the unpaid balance)

*Saluda County*  
**WATER AND SEWER AUTHORITY**

106 N Jennings Street  
Saluda, South Carolina 29138  
Telephone: (864) 445-9572

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JIMMY GILLIAN	AL STEVENS VICE-CHAIRMAN	JERRY STRAWBRIDGE CHAIRMAN	BOB NELSON SECRETARY-TREASURER	JERRY COLEMAN
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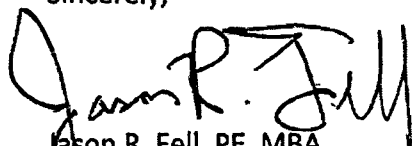
January 11, 2019

Ed Swearengen  
AAA Utilities, Inc.  
3071 Highway 6  
Lexington, SC 29073

Ed,

Please find attached a copy of Saluda County Water and Sewer Authority's Rate Sheet as you requested.

Sincerely,

  
Jason R. Fell, PE, MBA  
General Manager

## Rates & Policies

Listed below, you will find our current rates and policies. If you do not find the information you need, please contact our office and we will provide it for you.

### Standard Water Residential Service Rates

Monthly Minimum: Based on Meter Size	4000 gallons
Sewer Included w/ Minimum Bill:	
<b>Tier (Meter Size):</b>	<b>Cost for 1st 4000 gallons:</b>
3/4"	\$28.35
1"	\$35.00
1 1/2"	\$62.00
2"	\$103.00
6"	\$615.00
Cost per 1,000 gallons over 4,000 gallons	\$3.85

Our community's water meters are read each month. Please contact our office for any additional information.

### Standard Sewer Service Rates

Monthly Minimum: Based on Meter Size	2000 gallons
Water Included w/ Minimum Bill:	
<b>Tier (3/4" Meter Size):</b>	<b>Cost:</b>
0-2,000	\$18.30
Cost per 1,000 gallons over 2,000 gallons	\$6.30

## Fire Protection Charges

Monthly Minimum: Based on Meter Size                      0 Gallons  
 Sewer Included w/ Minimum Bill:

<b>Tier (Fireline Size):</b>	<b>Cost:</b>
3/4" Fireline	\$30.00
1" Fireline	\$40.00
1 1/2" Fireline	\$50.00
2" Fireline	\$60.00
3" Fireline	\$72.00
4" Fireline	\$100.00
6" Fireline	\$150.00
10" Fireline	\$200.00

All Firelines will be assessed a \$3.85 per 1000 gallon charge, if used.

## Water and Sewer Tap Costs

3/4" Water Meter Tap Cost	\$1,540.00
1" Water Meter Tap Cost	\$2,290.00
Larger Water Meter Tap Cost	Cost plus 25%
Sewer Tap Cost	Cost plus 25%

A \$40.00 Administrative Fee is assessed for each water and sewer tap fee. For example for a 3/4" Water Meter Tap Fee would be \$1,500 plus the \$40 Administrative Fee, totaling \$1,540.00

Note: Water Meter Tap cost for 3/4" and 1" Meter does not include anything beyond a residential dual check valve. Check SCDHEC's Backflow Prevention Regulations if you are a commercial entity or dealing with hazardous materials.





September 20, 2019

AAA Utilities Inc.  
Attn: Ed Swearingen  
3071 Highway 6  
Lexington, SC 29073

RE: Sanitary Survey - Perry Subdivision  
Public Water System #4150007

Dear Mr. Swearingen:

On August 19, 2019, a sanitary survey was conducted on the public water system serving the Perry Subdivision. The intent of the sanitary survey is to evaluate the public water system's ability to provide a continuous supply of safe drinking water to its customers.

The Perry public water system received an overall rating of **Satisfactory**. Enclosed is a copy of the survey and a report, which includes a description of the public water system, specific findings made during the sanitary survey, and recommendations for correcting any deficiencies. This survey and the report should be kept on file for no less than ten (10) years and be made available to the public or DHEC upon request. It is requested that all parties responsible for the operation and maintenance of the water system review this report promptly.

If you have any questions or if I can be of any assistance, please call me at (803) 642-1637.

Sincerely,

Rebecca M. Pyles  
Aiken Environmental Affairs Office  
Bureau of Environmental Health Services  
803-642-1637  
pylesrm@dhec.sc.gov

cc: Marty Chaney, Bureau of Water

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**  
**AIKEN ENVIRONMENTAL AFFAIRS OFFICE**

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**SANITARY SURVEY REPORT**

*AAA Utilities Inc. - Perry*

*Water System # 4150007*

*Saluda County*

**Introduction**

The South Carolina Department of Health and Environmental Control (Department) recently conducted a sanitary survey of the public water system serving Perry subdivision. This survey consisted of a review of the Department files and an onsite inspection by a representative of the Department on August 19, 2019. The following persons participated in the onsite inspection:

Ed Swearingen  
Rebecca Pyles

AAA Utilities Inc./Perry Operator  
SCDHEC Aiken Environmental Affairs

**System Description**

AAA Utilities Inc. owns and operates a groundwater facility and associated potable water distribution system that serves approximately 88 customers by approximately 32 service connections in the Perry subdivision. Mr. Swearingen is the operator of record for the Perry subdivision, and is licensed through the Department of Labor, Licensing, and Regulations (Distribution Operator # 1794 Grade D, Treatment Operator # 4681 Grade D). Currently, Mr. Michael Swearingen and Ms. Kelly Swearingen are trainees. Information on the system's wells is given in the table below.

***Well Information***

<b>Well</b>	<b>Pump, HP</b>	<b>Depth, ft</b>	<b>Yield, gpm</b>	<b>Regulated Capacity (TGD)</b>	<b>Treatment</b>
Well #1 – Lookout Point	1.0	158	11	10.56	Hypochlorination
Well #2 – Ann Street	1.0	165	17	16.32	Hypochlorination

Both wells are treated with Hypochlorite for disinfection. The system is served by two (2) hydro-pneumatic storage tanks with a total volume of approximately 620 gallons. AAA Utilities Inc. has a portable generator and air compressor available in the event of an emergency.

**Findings and Recommendations**

1. The system received a **Satisfactory** rating for Valve Maintenance. The purpose of this item is to ensure that the system's valves are being maintained such that they can be located and operated as needed. At the time of the survey, records for 2019 valve maintenance were

available for Department review. Please continue to document all valve maintenance records on the valve maintenance log.

2. The system received a **Satisfactory** rating for Flushing Program. Please continue to document flushing events and chlorine residuals throughout the system. Also, please continue to routinely flush dead end areas and homes that have been vacant before they are reoccupied.

### **Conclusions**

The system received an overall rating of **Satisfactory**. The Department would like to thank you for your assistance during the sanitary survey. The Department looks forward to working with the system in the future to ensure that AAA Utilities Inc. continues to provide the highest quality of drinking water to its customers.

SCDHEC  
Bureau of Water

Public Water System Source/Plant Inventory Report

Site Name: AAA/PERRY WATER SYS  
System Number: 4150007  
Source ID: G41121

(A)dd, (M)odify, (R)enum, (D)elete: ☒  
Reason: Combine SS  
Today's Date: 8/11/19

General Information

Location ..... IN CULDESAC LOOKOUT POINT  
Source Name ..... WELL ONE - In culdesac Lookout Point  
Receiving Plant ..... LOOKOUT POINT  
Plant ID ..... B41006

Availability Code ..... P  
Latitude ..... 34.08049520  
Longitude ..... -81.51534250  
Source Code ..... G

Ground Water Source Information

Well Characteristics

Depth (ft) ..... 158  
Type ..... 1  
Casing Diameter (in) ..... 6  
Casing Type ..... G  
Under the Direct Influence of SW? .. N

Well Pump Characteristics

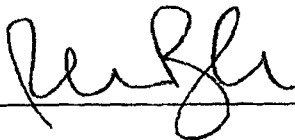
Horsepower ..... 1.00  
Type ..... S  
Design Yield (gpm) ..... 11.00  
Test Yield (gpm) ..... 11.00  
Avg. Daily Production (TGD) .. 0.29  
Regulated Capacity (TGD) ... 10.56

Treatment Codes

N9970

*Crack in concrete pad* Comments

Signature: \_\_\_\_\_



## Bureau of Water

Site Name: AAA/PERRY WATER SYS

System Number: 4150007

Source ID: G41122

(A)dd, (M)odify, (R)enum, (D)elete: ☒Reason: Change SSToday's Date: 8/19/19

## General Information

Location ..... FIRST ROAD TO RIGHT, ANN STREET  
Source Name ..... WELL TWO - First road to right, Ann  
Receiving Plant .... Street  
Plant ID ..... ANN STREET  
B41007

Availability Code ..... P  
Latitude ..... 34.07768610  
Longitude ..... - 81.51628430  
Source Code ..... G

## Ground Water Source Information

Well Characteristics

Depth (ft) ..... 165  
Type ..... 1  
Casing Diameter (in) ..... 6  
Casing Type ..... G  
Under the Direct Influence of SW? .. N

Well Pump Characteristics

Horsepower ..... 1.00  
Type ..... S  
Design Yield (gpm) ..... 17.00  
Test Yield (gpm) ..... 17.00  
Avg. Daily Production (TGD) .. 3.81  
Regulated Capacity (TGD) ... 16.32

## Treatment Codes

N9970

## Comments

Signature: 

## Bureau of Water

Site Name: AAA/PERRY WATER SYS

System Number: 4150007

Fax Number: (803)755-6911

(A)dd, (M)odify, (R)enum, (D)elete: MReason: Coutine ssToday's Date: 8/19/19

## DW Mailing Address:

Owner: AAA UTILITIES INC

Attn: ED SWEARINGEN

3071 HWY 6

LEXINGTON, SC 29073

Owner Business Telephone: (803)755-1203

Owner Emergency Telephone: (803)755-1203

## Site Info Address:

CULL-DE-SAC ON LOOKOUT POINT

LEESVILLE, SC 29070

\*Contact: SWEARINGEN JAY

\*Phone: (803)518-1958

\*email: JSWEARINGEN1@GMAIL.COM

DW Mail Attention: JAY SWEARINGEN

DW Contact Telephone: (803)518-1958

## System Characteristics

System Type.... C	Inact Code.....	Service Area.... R1	Season On (mo/day)..... 01/01
	Inact Date (mo/yr)....	Counties Served:	Season Off (mo/day)..... 12/31
Owner Type..... PRIV	Begin Date (mo/yr).... 06/1977	41	

## Statistical Information

## Source Use Information:

Percent Surface Water..... 0  
 Percent Ground Water..... 100  
 Percent Purchased Surface Water... 0  
 Percent Purchased Ground Water... 0

Total must equal 100%

Number of Surface Water Sources... 0  
 Number of Ground Water Sources... 2  
 Purchased Surface Water Sources.... 0  
 Number of Permanent SW Sources... 0  
 Number of Emergency SW Sources... 0  
 Number of Permanent GW Sources... 2  
 Number of Emergency GW Sources... 0

## Service Population:

Population..... 88  
 Secondary Population..... 0

## Number of Service Connections:

Residential..... 32  
 Non Residential..... 0  
 Maximum Allowable..... 37  
 Permitted..... 37

Total... 32

## Production (MGD):

Average..... 0.0041  
 Maximum Day..... 0

## Capacity:

Total..... .0269  
 Emergency..... 0.0000

## Storage:

Elevated (MG)..... 0.000  
 Ground (MG)..... 0.000  
 Pressure (TG)..... 0.620

## Comments

\* Add/change contact name, address, phone and email info here. This information can be found in EFIS/Permits/Relations/type DW Contact.

Signature: 

August 19, 2019

Page 1 of 1

dwinvent.rdf

Public Water System Sanitary Survey Report  
Ground Water Systems

Site name: AAA/PERRY WATER SYS

System number: 4150007

Last Survey: 10/03/2018

Survey Date: 8/19/19

Type Inspection/Visit GW ROUTINE

Operator/Owner present? Y

Overall Rating S

## Source:

- 1. \*Protection from Contam S
- 2. Quantity S
- 3. Security S
- 4. Wellhead Piping S

## Water Treatment:

- 5. \*Chemical Feed S
- 6. Chemical Storage & Hand S
- 7. Chemical Injection Points S
- 8. Filtration N
- 9. Equipment Maintenance S

## Distribution:

- 10. \*Water Quality S
- 11. Adequate Pressure S
- 12. Disinfectant Residual S
- 13. Cross Connection Control S
- 14. Fire Flow N
- 15. Valve/Hydrant Maintenance S
- 16. Flushing Program S
- 17. Leak Detection and Repair S
- 18. Water Audit S
- 19. System Map S

## Storage:

- 20. \*Protection from Contam S
- 21. Capacity S
- 22. Security S
- 23. Appurtenances S
- 24. Maintenance S

## Pumps, Pump Facilities &amp; Controls:

- 25. \* Reliable Capacity S
- 26. Operation & Control S
- 27. Pumps S
- 28. Flow Measuring Device S

## Monitoring, Reporting &amp; Data Verification:

- 29. \*Monitoring/Record Keeping S
- 30. Testing Equipment S
- 31. Sample Siting Plan S

## System Management &amp; Operation:

- 32. \*Corrections from Previous Survey S
- 33. Emergency Plan S
- 34. Plant Security S
- 35. Facility Maintenance S
- 36. Supplies/Spare Parts Inv N
- 37. Waste Disposal N
- 38. Procedures Manual S
- 39. Stand-by Power N
- 40. Is system presently under order? N
- if Yes, is system complying w/order? N

## Operator Certification:

- 41. \*Certified Operator S
- 42. Staffing S
- 43. System Group (I - V) I
- 44. Treatment Operator Grade

- A.
- B.
- C.
- D. 1
- T.

45. Dist. Group (I - V) II

46. Distribution Operator Grade

- A.
- B.
- C.
- D. 1
- T.
- G.

## Other Requirements:

- 47. Drought Response Plan N
- 48. Source Water Protection Plan N
- 49. Are all services metered? N
- Percent metered
- 50. Field Tests (Location or address) N

Chlorine	
pH	
Pressure	
Flow	
Other (Specify)	
Other Result	

51. Samples Taken

Bacteriological	
Inorganic	
Organic	
Radiological	
Other	

52. Follow up scheduled? N

Date scheduled

\*Items with an asterisk are significant deficiency items.

This form represents neither a final approval of the water system, nor an approval to operate the system.

# Water Supply Construction Permit

## Bureau of Water



Permission is Hereby Granted To: **PERRY WATER SYSTEM**  
**ATTN: MR JOSEPH SWEARINGEN SR**  
**3071 HWY 6**  
**LEXINGTON SC 29073**

for the construction of a chemical feed in accordance with the construction plans, specifications, design calculations and the SC DHEC Construction Permit Application signed by Michael G Geronimakis, Registered Professional Engineer, S.C. Registration Number: 6997.

**Project Name: PERRY WATER SYSTEM** County: Saluda

**Location: LOCATED ON THE SOUTH SHORE OF LAKE MURRAY AT THE END OF RIVERBEND POINT AND SHEALY ROADS OFF OF US HWY 378**

**Project Description:** Construction calls for the installation of two liquid chlorine systems (i.e., feed pump, chlorine storage tank and feed lines) at the system's two wells (i.e., one at each well). Feed pumps will be LMI Series AA17 and the storage tanks will be 10-gallon polyethylene tanks.

**Service By:** The water will be provided by AAA Utilities Inc (System Number: 4150007)

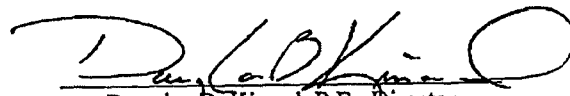
### Special Conditions

1. Before an approval to "Place Into Operation" can be issued for the proposed construction, an operation and maintenance (O&M) manual must be developed. This must be a comprehensive O&M manual developed for all facility processes. The complete O&M manual must be available for review at the time of final inspection. Note that if an O&M manual already exists for a facility then only an addendum for the proposed work is required.
2. The water must be monitored by an operator of the appropriate grade, at a frequency to ensure proper operation, but in no case less than once a day. Initially the minimum grade operator will be a class "E". If special condition number six below (i.e., evaluation of surface water influence) demonstrates that either well is under the direct influence of surface water then a minimum class "C" operator will be required.
3. All chemical tanks and chemical feed lines must be properly labeled along with lines being color-coded.
4. All wellhead piping, including new chemical feed system, must be properly protected from vandalism and freezing (i.e., covered and housed).
5. All chemicals added must be properly certified as meeting specifications of ANSI/NSF Standard 60.
6. Both system wells must perform special monitoring for possible direct surface water influence. The monitoring must be performed in accordance with R.61-58.2.B(14)(c). Note all samples must be taken from the well sources only and not from the distribution (i.e., isolate wells and sample).

In accepting this permit, the owner agrees to the admission of properly authorized persons at all reasonable hours for the purpose of sampling and inspection.

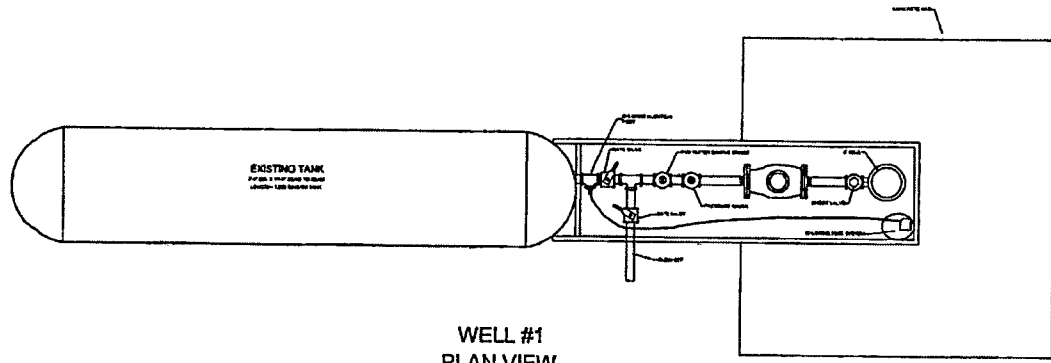
*This is a permit for construction only and does not constitute State Department of Health and Environmental Control approval, temporary or otherwise, to place the system in operation. An Approval to Place in Operation is required and can be obtained following the completion of construction by contacting the GREENWOOD EQC OFFICE at 864-223-0333. Additional permits may be required prior to construction (e.g., stormwater).*

**Permit Number: 28881-WS**  
**Date of Issue: February 13, 2013**  
**Expiration Date:** Construction must be completed prior to February 13, 2016 or this permit will expire.  
**EMW**

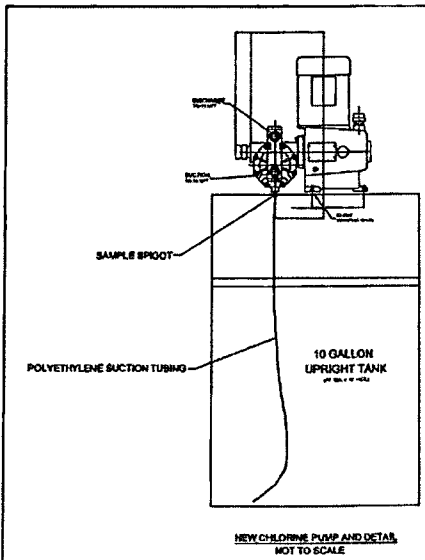
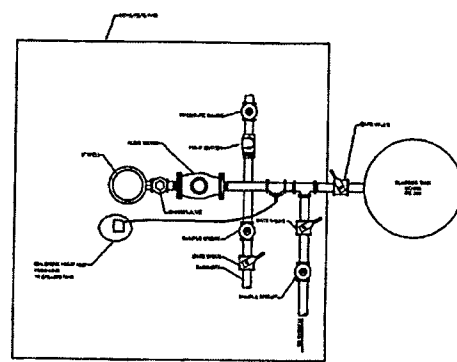
  
 Douglas B. Kinard, P.E., Director  
 Drinking Water Protection Division



Perry



**GENERAL NOTES:**  
1) WELL #1 IS UNDER A WOODEN ENCLOSURE.  
2) WELL #2 IS UNDER A FIBERGLASS ENCLOSURE.



**Geronimos Environmental Consultants**  
CONSULTING ENGINEERS  
7 Clusters Court Suite 208  
Columbia, South Carolina 29210 ~ (803) 750-5266

NO.	DATE	REVISION / DESCRIPTION	BY	CHK.

PERRY WATER SYSTEM	SCALE: 1" = 1'-0"
WELL SITES	DATE: 6-8-2013
SALUDA COUNTY	DESIGN: <i>The Drawing Board</i>
	DRAWING NUMBER: 2 OF 2

NOT FOR CONSTRUCTION  
DATED JUL 16 2002



Perry Water Sys.  
30 Taps  
Leocville, Sn.

LOT AND NUMBER

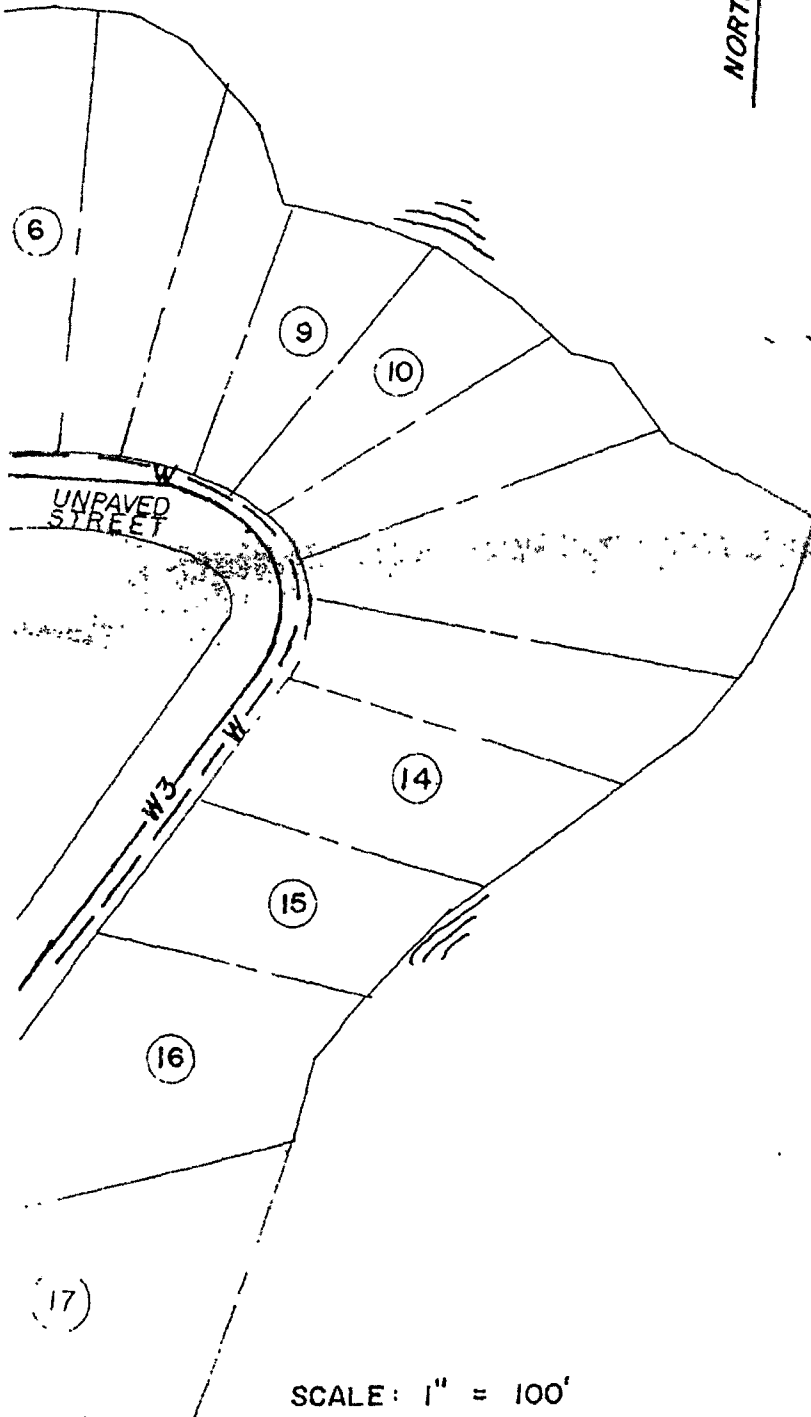
x 399 APPROXIMATE ELEVATION IN FEET MSL.

--W-- EXISTING WATER LINE

W3 PROPOSED WATER LINE AND SIZE

NORTH

RAY

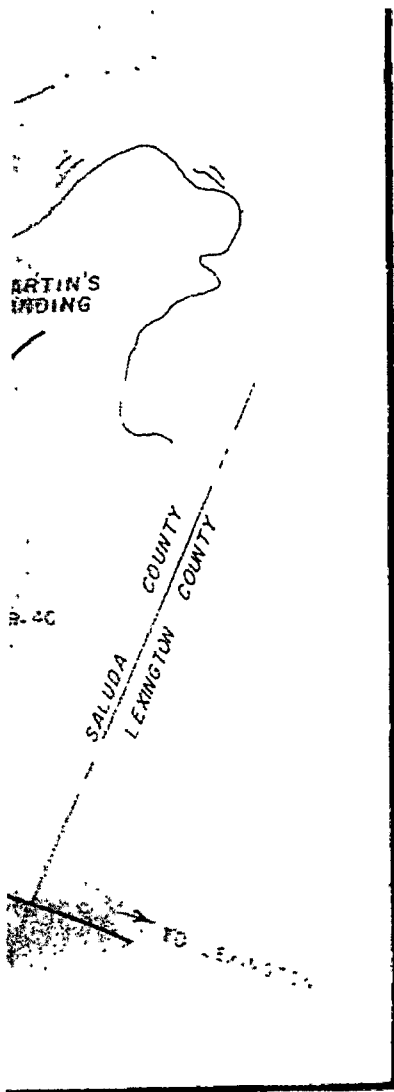


SCALE: 1" = 100'  
100' 0' 100'

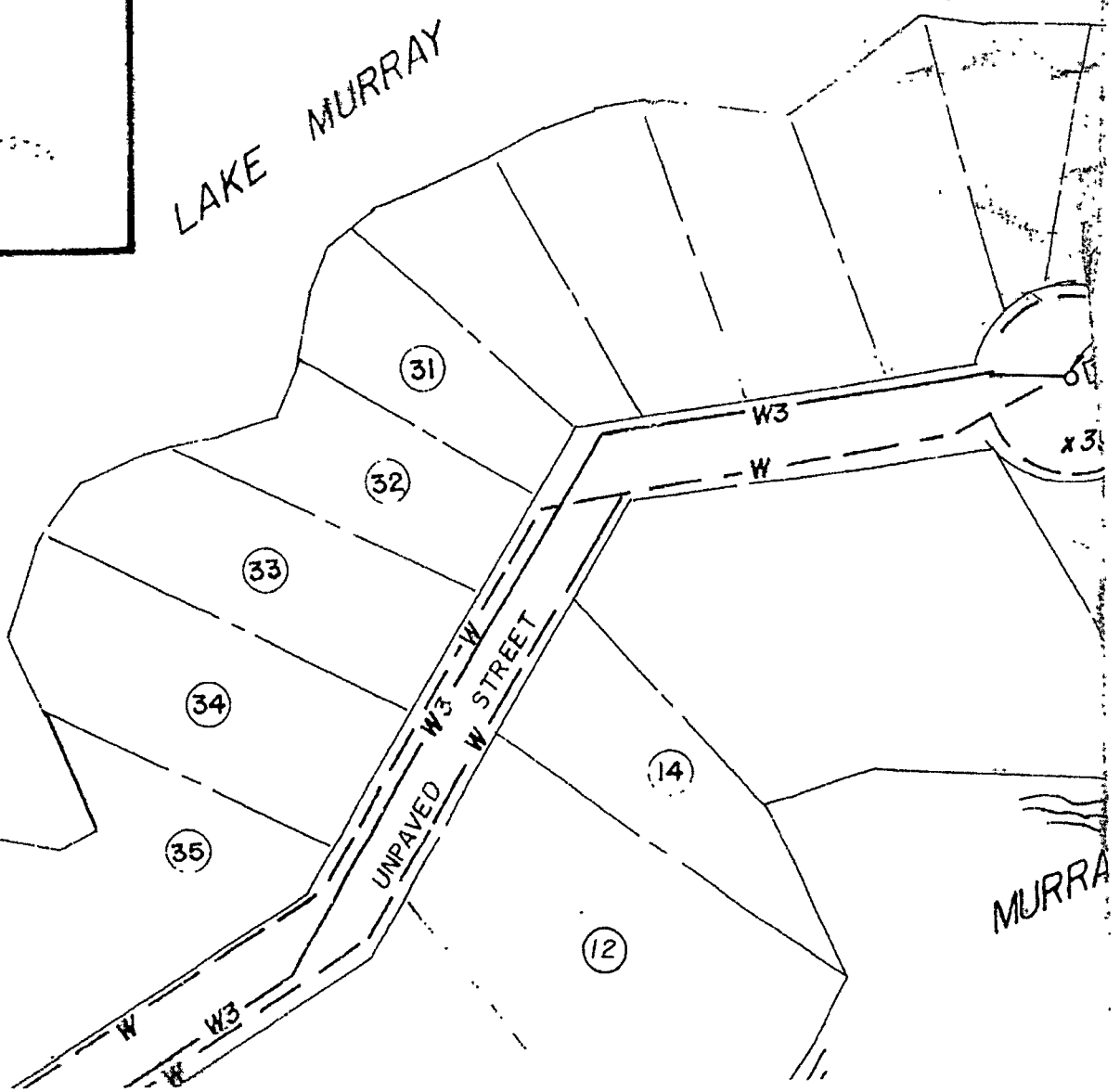
PROJECT	DESIGNER	DRAWN	CHECKED	APPROVE	DATE
PERRY SUBDIVISION WATER DISTRIBUTION SYSTEM					
TANK INSTALLATION PLAN					
SHEET TITLE					
SEAL					
SHEET N <sup>o</sup> .			OF		
1			1		
NOTEBOOK N <sup>o</sup> .					
FILE N <sup>o</sup> .					

REFEREN

- 1. PLAT FOR C  
DATED 01/
- 2. PLAT OF TR  
RLS # 2318



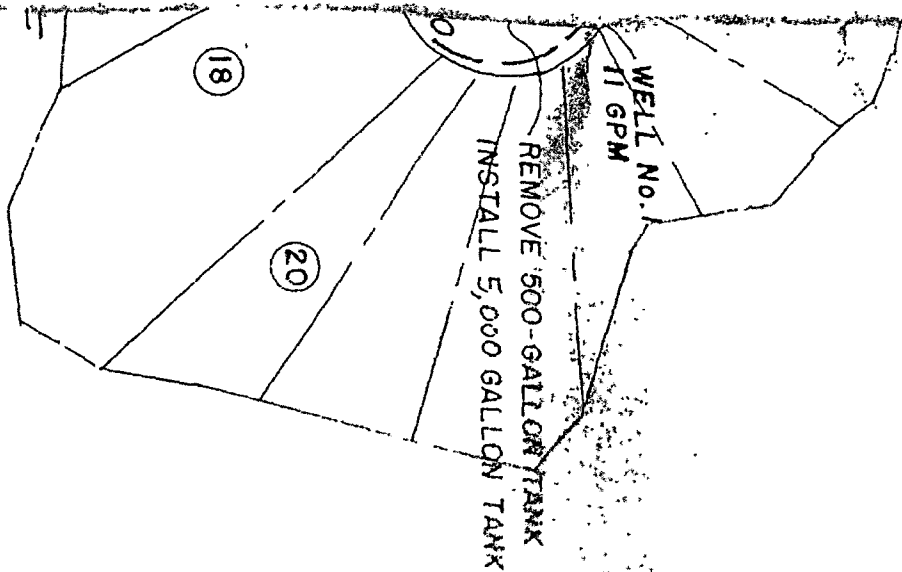
LAKE MURRAY



CE

CLINT W. PERRY BY R.E. COLLINGWOOD, JR. RLS # 2318  
8/64, REVISED 6/15/64.

ACT NO. 2 FOR CLINT W. PERRY BY R.E. COLLINGWOOD, JR.,  
DATED 11/11/66



REVISIONS

DATE \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PACE** ENGINEERING CONSULTANTS, INC.

1813 HAMPTON STREET, P.O. BOX 2500, COLUMBIA, S.C. 29202 (803) 771-6907

GEL

GEL

ARN